

Rules that apply where election made under subs. 1

(2) Where an executor has made a valid election under subsection 1 in the form and manner and at the times prescribed by the regulations, in computing the duty payable by a beneficiary under this Act, the following rules shall apply:

1. Allowance shall not be made under subsection 6 of section 3 for the amount of any tax on deemed dispositions of the deceased.
2. The amount of duty otherwise payable by each beneficiary under this Act shall be reduced by the lesser of,
 - (a) that proportion of the amount of tax on deemed dispositions of the deceased that,
 - (i) the elected dutiable value of all property situate in Ontario that passes on the death of the deceased to or for the benefit of the beneficiary, plus the elected dutiable value of all transmissions to the beneficiary, plus the elected dutiable value of all dispositions to the beneficiary that do not come within clause *g* of subsection 1 of section 5, bears to,
 - (ii) the elected aggregate value; and
 - (b) the amount of duty otherwise payable by the beneficiary under this Act.

How elected aggregate value computed

(3) For the purposes of this section, elected aggregate value and elected dutiable value shall be computed in the manner prescribed by the regulations.

Interpretation

(4) In this section,

- (a) "duty otherwise payable" means the duty levied on a beneficiary and on property passing on the death of the deceased to or for the benefit of that beneficiary determined in accordance with this Act as though paragraph 2 of subsection 2 did not apply;
- (b) "tax on deemed dispositions of the deceased" means the prescribed proportion of tax payable under *The Income Tax Act*, being chapter 217 of the Revised Statutes of Ontario, 1970, and the *Income Tax Act* (Canada) in respect of the deceased for

